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C O N F I D E N T I A L SAN SALVADOR 000102

SIPDIS

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SUBJECT: ELECTION UPDATE: ARENA GAINS MOMENTUM, BUT HAS A

LONG WAY TO GO

REF: SAN SALVADOR 60

Classified By: Robert I. Blau, Charge d'Affaires, for reasons 1.4 (b) and (d)

 $\underline{\mbox{1}}\mbox{1}.$ (C) Summary: The (conservative, pro-U.S.) ARENA party's campaign has gained some momentum. The January 18 legislative and municipal elections resulted in the best-case scenario for ARENA, and the voter base has appeared increasingly energized in the ARENA events of the past week. Poll numbers support this apparent trend. ARENA released its platform January 28, pledging to create jobs, improve health care and education, and develop infrastructure. The platform was well-received by party supporters, but it offers little insight on how it will achieve or pay for its goals, and the media are beginning to pay attention to that detail. (Center-right) Christian Democrat Party (PDC) candidate Carlos Rivas Zamora announced the end of his campaign, which will further bolster ARENA's prospects. The Supreme Electoral Tribunal (TSE) released its final statistics from the January 18 elections, and the number held to previous projections (reftel). The TSE claimed to have been the victims of hackers during the election. There were two re-votes held in San Isidro and San Agustin, and ARENA won both municipalities. The European Union released a report criticizing the partisanship of Salvadoran media outlets in the campaign. End Summary.

Presidential Race: ARENA Gains Momentum

12. (SBU) News dailies La Prensa Grafica and El Diario de Hoy have released their first post-election poll results. According to El Diario de Hoy, which reported a 4-point lead for (left-wing) FMLN candidate Mauricio Funes in December, Funes now holds a 2.6 point advantage. La Prensa Grafica had previously reported a 12-14 point lead for Funes, and now says that lead has dwindled to six. The actual numbers may vary, but ARENA clearly gained some momentum from the legislative and municipal elections, especially in winning the key San Salvador municipal battle.

Legislative and Municipal Results

13. (C) After a full week of tallying results wrought with technical difficulties, the TSE began to effectively report results on January 25. It released the final election numbers later in the week. These were in line with initial projections; the composition of the Legislative Assembly did not change at all from the first reports, and only a handful of municipalities shifted. The FMLN gained three Assembly seats overall. ARENA lost two. The key result, however, is the performance of the (right-wing) National Conciliation Party (PCN). With 11 seats, it has the ability to form a

majority with either ARENA or the FMLN, giving the PCN the key to the Assembly. In recent months, the PCN had been negotiating with the FMLN, but is unlikely to formalize an alliance until after the March 15 presidential elections (or the April 19 runoff). The final electoral tallies were:

Legislative Assembly Seats (total: 84)

ARENA 32 CD 1 FDR 0 FMLN 35 PCN 11 PDC 5

Municipalities (total: 262, coalitions also listed)

ARENA 122 (down from 148)
CD 1
FDR-CD 1
FMLN 75 (up from 58)
FMLN-CD 18
PCN 33 (down from 39)
PDC 9 (down from 14)
PDC-FMLN 2
PDC-FMLN-CD 1

TSE Claims Hackers Derailed Its Web Site Reporting Effort

14. (C) News Daily La Prensa Grafica reported January 28 that Walter Araujo, President of the TSE, claimed that the

organization's web site had been attacked by hackers. The report says Araujo reported this to the Attorney General on Election Day. No subsequent information has been released concerning the credibility of this claim. The TSE had a series of technical glitches leading up to the elections. Its web site was completely inaccessible for two full days after the elections, and once it went live, only contained preliminary data (70 percent of election returns) for the entire week that followed. The TSE's organization failures and technical problems were widely criticized during and after the recent vote. On the other hand, the final vote counts themselves were not questioned.

EU Observers Criticize Partisan Media Coverage

15. (SBU) According to online news source El Faro, the European Union team of election observers concluded that various media outlets unfairly demonstrated partisan behavior. The EU report cited three television stations, four newspapers, and four radio stations as having given biased reporting, and that ARENA benefitted most from the slant. An EU spokesman also publicly chastised its own observation team members for showing their personal biases, which, in the cases publicized, were pro-FMLN.

San Isidro and San Agustin Re-votes: ARENA Prevails

16. (SBU) The two municipalities requiring re-votes, San Isidro and San Agustin, proceeded largely without incident. In San Isidro, Cabanas, voting resumed January 25 after authorities suspended it January 18 due to escalating voter disputes (reftel). While the media reported minor irregularities, voting was peaceful, and it concluded with an ARENA municipal victory. San Agustin, Usulutan, also required a second round of voting on February 1. The original municipal election there resulted in a tie between the ARENA and FMLN candidates. Press reported tensions between party supporters and the occasional voting irregularity, but the voting center was mostly free of problems. The ARENA candidate emerged victorious.

PDC Presidential Candidate Robbed

17. (SBU) PDC Presidential candidate Carlos Rivas Zamora was robbed outside his parents' home January 25. Two assailants stole his car, personal documents, cash, and his laptop, which contained information relating to his campaign. Media reported that Zamora had stopped at his parents' home to deliver his laptop to his sister, when attacked. Zamora's wife and daughters were in the car, but were allowed to exit the vehicle. The attack occurred in broad daylight, at approximately 2 PM on a Sunday afternoon. Media reports say the police believe that Zamora was not targeted as a political figure and consider the robbery a crime of opportunity. (Note: The GOES provides security to presidential candidates only if they request it. Rivas Zamora did request it, but the GOES had not yet complied. The GOES provided security soon after the incident. End Note.)

Rivas Zamora Ends Campaign

18. (C) On February 2, Rivas Zamora announced that he would terminate his bid for the presidency. The move was unrelated to his January 25 robbery. Rivas Zamora's decision was not unexpected, and demonstrates the PDC's commitment to preventing the FMLN from taking the presidency. PDC voters will naturally swing to ARENA's side without prompting, but ARENA would benefit further from public PDC support. The party has not yet done this, but El Diario de Hoy reported that an ARENA source indicated the PDC was on board. The PCN, for the moment, is continuing its presidential campaign, but may also drop out, which would eliminate the possibility of an April runoff.

ARENA's Platform: Addressing Voters' Concerns

19. (C) On January 28, ARENA announced its platform, a monumental 337-page document promising to address the entire

range of voters' concerns. Months ago, ARENA identified the key themes that were most important to voters (which they cited in conversations with us in October), and assembled an extensive set of working groups to develop policy proposals. Most notable was the campaign's first sign of a break with the Saca administration. Nothing in the platform specifically criticizes Saca, but the suggestion is clear; several of the main points (such as decreasing and limiting subsidies and combating governmental corruption) subtly point to a shift from the policies of the Saca administration.

- 110. (C) The platform emphasizes creating new jobs as ARENA's top priority. Candidate for Vice President Arturo Zablah's speech made specific reference to the government as both employer and consumer as one way to reach that goal. They pledged to limit subsidies and improve governmental transparency, with the aim of reducing corruption. They raised several proposals to improve living conditions and the quality of life of lower income families. The ARENA platform also aims to reduce the prices of medicine, introduce a system of potable water, improve education, and develop infrastructure in outlying regions. Towards the end of his speech, Avila made a point of stressing the importance of the family unit, and made specific mention of trusting in faith in God as Christians, significant because recent press has suggested that an evangelical leader has a specific (though unspecified) problem with Avila.
- 111. (C) On January 29, Avila and Zablah, accompanied by ARENA campaign coordinator Cesar Funes and Foreign Policy Advisor Oscar Santamaria briefed the diplomatic corps on ARENA's platform, and took questions on the campaign. Avila

expressed appreciation for missions that fielded observers for January 18 municipal and legislative elections, crediting them with helping ensure there was no electoral fraud. Cesar Funes echoed those sentiments, noting the absence of violence in the January vote and expressing confidence for ARENA's chances in the final weeks before the March 15 presidential vote.

- 112. (C) Zablah addressed the economic portions of the platform, highlighting proposals to promote housing development with funds from pension investments, proposals to encourage youth employment with tax incentives and subsidies, and to target subsidies. Zablah said an Avila administration would use tax incentives to encourage economic development. He said an ARENA government would move to tackle the high price of medicine, though he said it would be difficult to end VAT taxation on those items. He noted that he did not oppose the so-called Washington Consensus, but did object to a perceived double standard, with developed economies maintaining agricultural subsidies that limited Salvadoran access to those markets. Avila's remarks focused more on public security, reflecting his years as Director of El Salvador's National Civilian Police (PNC). He remarked on his own success as police chief in bringing down the homicide rate, noting the recent uptick as a warning against complacency, and pledged to continue working towards long-term solutions for El Salvador's crime problem.
- 113. (C) Comment: ARENA's platform, much like that of the FMLN (released six months ago), lacks any indication of how it plans to pay for or achieve its lofty goals. Despite its length, the platform is a series of vague promises and general statements of intent. The media is beginning to question the plan, as they did months ago with the FMLN's proposals. Major news dailies have begun dissecting the details of the platform and noting the lack of substance. The platform itself looks less important than the use of it by party leaders to mobilize supporters. BLAU